



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, APRIL 27, 2011
12:00 NOON
LANCASTER HOMES
711-737 W. JACKMAN STREET
LANCASTER, CA 93534
(661) 255-5818**

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1. Call to Order

2. Roll Call

**Zella Knight, Chair
Henry Porter Jr., Vice Chair
Severyn Aszkenazy
Val Lerch
Laurence Levin
Adriana Martinez
Alberta Parrish**

3. Reading and Approval of the Minutes of the Previous Meeting

Regular Meeting of March 23, 2011

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

Regular Agenda

6. Approve the use of Housing Authority funds to fund other post employment benefits (All Districts)

Recommend that the Board of Commissioners authorize \$3,792,334 in Housing Authority funds previously allocated to prefunding OPEB and \$1,076,149 in funds included in the Housing Authority's approved Fiscal Year 2010-2011 Budget for the same purpose, to be transferred to CalPERS to fund OPEB; find approval that the use of funds to prefund OPEB is not subject to the California Environmental Quality Act (CEQA) because the action is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment. (APPROVE).

7. Acceptance of Community Development Block Grant funds for projects identified in the 2011-2012 Action Plan for the allocation of federal funds (All Districts)

Recommend that the Board of Commissioners find that the acceptance of Fiscal Year 2011-2012 CDBG funds from the Commission is not subject to the provisions of the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA; authorize the Housing Authority to accept from the Commission an estimated \$2,989,266 in Fiscal Year 2011-2012 CDBG funds, and to continue administration of \$1,513,953 in prior year CDBG funds, which will be requested for incorporation into the Housing Authority's Fiscal Year 2011-2012 budget through the Housing Authority's annual budget approval process subject to final notification of approval by the U.S. Department of Housing and Urban Development (HUD) (APPROVE).

8. Approve the Limited use of Mutual Indemnification between the Housing Authority and other public entities and certain private entities (All Districts)

Recommend that the Board of Commissioners approve the limited use of mutual indemnification, as described herein, between the Housing Authority and other public entities and certain private entities, including sole source vendors and entities that provide services at minimal or no cost to the Housing Authority, subject to review and approval by the Housing Authority's Risk Manager and approval as to form by County Counsel (APPROVE).

9. **Funding for Financial Audit Services for Fiscal Year 2010 – 2011 (All Districts)**

Recommend that the Board of Commissioners approve the expenditure of up to approximately \$72,100 for financial audit services for Fiscal Year 2010-2011 provided to the Housing Authority pursuant to an Agreement for financial audit services between the Community Development Commission and Vasquez & Company LLP; approve the expenditure of additional funds of up to \$7,210 for any unforeseen, needed financial audit services; find that the approval of funds for financial audit services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment (APPROVE).

10. **Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 890-7424, or by e-mail at donna.delvalle@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES
MINUTES FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday March 23, 2011

The meeting was convened at the Housing Authority located at 12131 Telegraph Rd., Santa Fe Springs California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Zella Knight at 12:08 p.m.

ROLL CALL

Present

Absent

Zella Knight, Chair	X	
Henry Porter, Vice Chair	X	
Severyn Aszkenazy	X	
Val Lerch	X	
Laurence Levin		X
Alberta Parrish		X
Adriana Martinez		X

PARTIAL LIST OF STAFF PRESENT:

Sean Rogan, Executive Director
Emilio Salas, Deputy Executive Director
Maria Badrakhan, Director, Housing Management
Margarita Lares, Director, Assisted Housing

GUESTS PRESENT:

No guests were present.

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Lerch with Commissioner Aszkenazy abstaining, the Minutes of the Regular Meeting of February 23, 2011, were approved.

Agenda Item No. 4 – Report of the Executive Director

Deputy Executive Director Emilio Salas reported on the following items:

A request to HUD was submitted a year ago for Small Cities absorption. In late February notice was received that we were denied due to a pending audit finding in reference to HAP overpayments. Recently HUD visited and provided a management review and there were no findings. Due to the pending items, HUD provided an extensive review of our files and there were no findings as well. HUD Washington DC needed confirmation of the results and that they were satisfied with our efforts in addressing the issue and confirmation was sent for their approval. We were informed that HUD will be approving the Small Cities absorption.

Executive Director Sean Rogan stated that we received confirmation from HUD that the audit finding related to the HAP overpayment had been closed. With the efforts that staff has provided within the last year and half, we were able to put forth the corrective action plan and reduce the number of staff errors and reduce the HAP overpayment issue.

Mr. Salas announced that the Annual Plan was adopted by the Board of Supervisors on March 22, 2011.

Mr. Salas reported that the Federal Government still does not have a budget and there is a continuing resolution for another three weeks. We will be monitoring the outcome closely and with anticipation of what the outcome could be, staff continues to meet to try to plan for different scenarios of what could happen once the items are approved.

Mr. Salas stated that we are ready to launch a new Tenant Portal, which will allow our clients to access services online. This will begin April 1st, 2011 with limited capabilities due to final comments from HUD Washington DC regarding electronic signatures. We anticipate the portal to be fully launched in July 2011.

Mr. Salas reported that we have been working diligently to recruit and hold interviews for prospective Tenant Commissioners. Interviews were held, but to abide by the by-laws a second interview will be held with a representative from the CEO's office. In the near future we will propose a change in the by-laws to allow the flexibility with identifying who should be on the selection committee.

Mr. Salas announced that he and Commissioner Lerch will be attending the NAHRO conference in Washington, DC.

Mr. Rogan reported that there is still an impasse between HR1 and the House side looking to substantially cut funding for the Section 8 program. Specifically the administration side, the public housing program as well as other federal entitlement programs such as, CDBG Home, HOPWA and ESG. The Senate is more in line with the President's budget which looks to have a 7 ½ to 9% cut in the federal entitlement program however it was actually HUD themselves as related to the Public Housing operating budget, voluntarily provided a 1 billion dollar reduction in budget based on operating reserves of Housing Authorities nationwide. This was done because there was a need to provide some cuts to the programs and given the amount of monies that certain Housing Authorities had as related to the billion dollars, they felt that this would be fair and equitable. This item will become more relevant once the House, the Senate and the President come to terms on how this will be funded.

Agenda Item No. 5 Public Comments

No public comments were received.

Regular Agenda

On Motion by Commissioner Porter, seconded by Commissioner Aszkenazy, and unanimously carried, the following was approved by the Housing Commission. :

APPROVE THE INSTALLATION OF TRANSFORMERS, ELECTRICAL
SUPPLY CABLES, AND METERS BY SOUTHERN CALIFORNIA EDISON
COMPANY AT NUEVA MARAVILLA HOUSING DEVELOPMENT SITE
(FIRST DISTRICT)
AGENDA ITEM NO. 6

1. Recommend that the Board of Commissioners approve the selection of Southern California Edison Company as the sole source provider to complete the installation of new electrical transformers, cables and meters at the Nueva Maravilla Housing Development in unincorporated East Los Angeles.
2. Recommend that the Board of Commissioners authorize the Executive Director or his designee to prepare and execute all documents required to complete the work described above, using \$501,173 in Capital Fund Program (CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD).
3. Recommend that the Board of Commissioners authorize the Executive Director or his designee to amend all documents required to increase the amount of compensation by up to \$100,235 for unforeseen project costs, using CFP funds.

4. Recommend that the Board of Commissioners find that the approval of electrical improvements by Southern California Edison Company at the Nueva Maravilla Housing Development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.

Agenda Item No. 7 – Housing Commissioner Comments and Recommendations for Future Agenda Items

Commissioner Lerch stated that he is looking forward to the NAHRO conference in Washington D.C.

Commissioner Porter reminded the Commissioners to recycle their Minutes and Agenda packets. These items could be returned to Marisol Ramirez at the monthly meetings. Commissioner Porter inquired about the Housing Authority using Energy Efficient rebate programs. Could some of this money be used to replace older appliances?

Executive Director Sean Rogan stated that we have been using energy efficient rebate programs. The rebates go towards the installation of new appliances and to the actual cost of the construction.

Commissioner Porter inquired about the Homeless Prevention (HPRP) report provided with the Agenda and Minutes. He asked about the additional 3 providers that were included in the report.

Executive Director Sean Rogan stated that at the request of the Housing Commission we will provide an update on HPRP. The 3 additional providers listed are organizations that are able to serve the homeless with a rapid process.

Commissioner Porter asked if we knew the outreach provided by these organizations to the homeless that live on the street.

Commissioner Knight responded that LAHSA has substantial outreach and account for the homeless. This also includes United Way and PATH organizations.

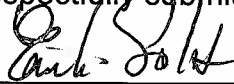
Commissioner Aszkenazy congratulated staff on their commitment to the Section 8 program. Good luck to Commissioner Lerch with his trip to Washington D.C.

Commissioner Knight asked that the participants that are attending the NAHRO conference to please be an advocate for housing, education and health. Commissioner Knight would like to hear about the wonderful things taking place at Nueva Maravilla regarding the education of the residents.

Director Maria Badrakhan stated that the Housing Authority received a letter of support from the LAUSD for a \$750,000 grant application being sent to Washington D.C. related to juvenile justice, crime prevention grant. We are working in collaboration with LAUSD, Los Angeles County Sheriff's Department and the HACoLA.

On Motion by Commissioner Porter the Regular Meeting of March 23, 2011, was adjourned at 12:58 pm.

Respectfully submitted,



for SEAN ROGAN
Executive Director
Secretary –Treasurer

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

April 27, 2011

TO: Housing Commissioners

FROM: Margarita Lares, Director, Assisted Housing Division

RE: **FSS PROGRAM UPDATE – MARCH 2011**

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Public Housing residents and Housing Choice Voucher Program participants achieve economic independence and self-sufficiency.

Activities

RECRUITMENT	11	Applications Received
	16	Applications Sent
ENROLLMENTS	2	New FSS Participants
TERMINATIONS	1	Participant Terminated from FSS: terminate from Sect. 8
	2	Participants Terminated from FSS: Contract Expired
	1	Participant Terminated from FSS: Port to another PHA
MEETINGS	1	SASSFA Partnership monthly meeting
WORKSHOPS		
Program Presentations	1	Program presentation at the SASSFA Partnership monthly meeting
Money Smart Workshop	1	Disseminated Credit Repair Informational Packets
	2	Disseminated Budget Informational Packets
REFERRALS	25	Job referral from the employment network job board
	3	Educational Facilities
	5	WorkSource Center employment workshops and job fairs
	2	Emergency Transportation Assistance
GRADUATIONS	5	Pending requests for graduation

If you have any questions, please feel free to contact me at (562) 347-4837.
ML:AS:dt

FAMILY SELF-SUFFICIENCY (FSS) REPORT SUPPLEMENT

Listed below are descriptions of frequently used language in the monthly FSS Report.

1. **SASSFA**-Acronym for Southeast Area Social Services Funding Authority. They oversee all the funding for Worksource Centers, who provide job training, job placement, and skill assessment. We have a partnership with them, which in turn benefits our clients by providing services that we would not be able to provide on our own. There are about 75 Worksource Centers located in Southern California.
2. **The Employment Network Job Board** is located in the Family Self-Sufficiency department of the Assisted Housing Division located at 12131 Telegraph Road, Santa Fe Springs, CA and is a compilation of job leads, job requests and training information supplied by our various partnered agencies and is updated on a bi-weekly basis. The network board may also include referrals to other types of services, such as job fairs, resume preparation or social services. All these resources are shared with FSS participants.
3. **Emergency Transportation Assistance** refers to bus tokens issued by FSS staff to FSS participants who are having short term transportation problems. This would include those who have started a new job and need transportation assistance until they receive a pay check; those who need assistance in order to get to a job interview; those who are starting school and may not have been able to make arrangements to carpool prior to enrollment; those who have had a temporary transportation emergency, such as a automobile accident or auto break down. Part of this assistance may also include referrals to other agencies which may have bus tokens or passes available.

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

April 27, 2011

TO: Housing Commissioners

FROM: Emilio Salas, Deputy Executive Director



SUBJECT: STATUS OF THE COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY (CDBG-R) PROGRAM, FUNDED BY THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

The Community Development Block Grant (CDBG) Division is closely monitoring CDBG-R subrecipients to ensure that they spend all of their allocated funds by June 30, 2012.

We are currently pacing at an appropriate level: as of April 15, 2011, \$5,297,442.95 (67.87%) of the total \$7,805,832.20 under contract has been expended. Nevertheless, to ensure that subrecipients meet all of the aforementioned grant requirements, we continue to closely monitor their performance. Following are major actions taken since the last report:

- To date, 37 (56%) of the 66 projects are completed. Some of these were completed below budget, and the excess undisbursed funds were recaptured and will be reallocated to existing CDBG-R activities.
- On March 28, 2011, CDC-CDBG reallocated CDBG-R funds totaling \$50,000 to the City of Monrovia, and \$101,482 to the City of Covina, to augment their well-performing CDBG-R projects. This action was taken consistent with the policy bulletin issued to participating cities on March 2, 2011, notifying them that excess funds from closed-out city projects were available for redistribution to cities with eligible CDBG-R or CDBG projects, and inviting them to submit proposals by March 17, 2011, for use of these funds.
- CDBG staff is closely monitoring low-performing agencies and providing them with requisite technical assistance to ensure that they adhere to their required corrective actions which include: (a) submittal of any delinquent reimbursement requests; and (b) adherence to the project implementation and expenditure target dates stated in their action plans.

TG:AC:ec


K://TG/ARRA/ARRA Status Report For CDBG-R (As of April 2011)

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

April 27, 2011

TO: Housing Commissioners
FROM: Emilio Salas, Deputy Executive Director



SUBJECT: STATUS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 HOMELESSNESS PREVENTION AND RAPID RE-HOUSING (HPRP) PROGRAM

The Homelessness Prevention and Rapid Re-Housing Program (HPRP) is a collaborative effort among the Community Development Commission, the Chief Executive Office, implementing County Departments, local Non-Profit Organizations, and the Los Angeles Homeless Services Authority.

Actions since the last report include the following:

- As of April 8, 2011, \$5,340,295.92 (43.78%) of the \$12,197,108 budget has been expended.* (See attached chart).
- The County HPRP program has served 1,290 households through March 31, 2011.
- The HPRP monthly partner meeting was held on April 12, 2011.
- CDC-CDBG is assessing the expenditure pacing of all programs to determine if funds need to be reallocated to the more successful programs.

TG:AC:ec
H:TG/ARRA/ARRA Status Report For HPRP (April 2011)

Attachment

Community Development Commission

FOR YOUR INFORMATION ONLY

March 31, 2011

TO: Each Supervisor

FROM: Sean Rogan, Executive Director



SUBJECT: UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009

On March 31, 2009, the Board of Supervisors (Board) requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive, either by formula or by competitive grant application. In all, the CDC/HACoLA was awarded \$33,603,148 of the \$114,312,431 applied for.

Funding Awarded

PUBLIC HOUSING CAPITAL FUND (CF)

Funding Amount: \$7,401,512 (by formula)

Award of Funds: On March 31, 2009, the Board of Commissioners approved a motion to accept the grant funds, and funding became available to the HACoLA on May 14, 2009.

Use of Funds: The funds are being used for security improvements, energy efficiency work measures, preventive maintenance, and general improvements at 12 public housing developments comprised of 2,500 public housing units. As a direct result of CF formula activities, the HACoLA has reported a total of 73 full-time equivalent jobs (that were created or retained) through the 2nd Quarter of Program Year (PY) 2010-2011 to FederalReporting.gov.

Expenditure Levels: As of March 15, 2011, the HACoLA had expended \$6,726,141 of the \$7,401,512 obligated.

Provisions: The HACoLA must obligate 100% of the funds within 1 year, expend 60% of the funds in 2 years, and complete 100% of the fund expenditures in 3 years. The HACoLA has met the mandatory obligation deadline.

Funding Amount: \$5,924,000 (Applied for \$22,399,000 by competition.)

Award of Funds: On June 22, 2009, the HACoLA applied for \$16,475,000 in funding for improvements addressing the needs of the elderly and/or people with disabilities and public housing transformation. Additionally, on July 21, 2009, the HACoLA applied for \$5,924,000 in funding for energy efficient/green community projects.

Use of Funds: The HACoLA was only awarded funding in the 'Creation of an Energy Efficient Green Community' category in the amount of \$5,924,000. Funds were granted on September 29, 2009, and are being used at the Nueva Maravilla housing development to reduce energy costs, generate resident and HACoLA energy savings, and reduce greenhouse gas emissions attributable to energy consumption. A total of 20 full-time

equivalent jobs were created or retained through the 2nd Quarter PY 2010-2011 and have been reported to FederalReporting.gov.

Expenditure Levels: On December 1, 2009, the Board approved the acceptance of the funds. As of March 15, 2011, the HACoLA had expended \$1,622,179 of the \$5,924,000 obligated.

Provisions: The HACoLA must obligate 100% of the funds within 1 year of the date in which funds become available for contracts. The U.S. Department of Housing and Urban Development (HUD) requires the HACoLA to use at least 60% of the funds within 2 years and 100% of the funds within 3 years. The HACoLA has met the mandatory obligation deadline.

COMMUNITY DEVELOPMENT BLOCK GRANT-RECOVERY (CDBG-R)

Funding Amount: \$8,080,528 (by formula)

Award of Funds: The CDC submitted an amendment to the CDBG PY 2008 Action Plan (as required by ARRA) on June 5, 2009, after receiving approval from the Board on June 2, 2009. The CDC received the CDBG-R Grant Agreements on August 26, 2009.

Use of Funds: The CDC worked with the agencies affected by CDBG/ARRA regulations and submitted a final list of projects for approval to HUD on August 13, 2009, and the Board on August 18, 2009. Both HUD and the Board approved the list for the CDC's CDBG-R Program. Project activities include public improvements, housing rehabilitation, economic development, public services, and administration. During the 2nd Quarter of Fiscal Year (FY) 2010-11, the following activities were completed: rehabilitation of 31 housing units, construction on 8 public improvement projects including 6 public facilities serving 29 developmentally disabled people, street improvements serving an area with 2,585 residents, and alley improvements serving an area with 7,143 residents. In addition, a total of 1,008 jobs have been created or retained, which corresponds to 88.53 full-time equivalent positions to date.

The CDC will reallocate funds that have been returned due to recapture for lack of expenditure or progress on projects. Funds will be reprogrammed into existing CDBG or CDBG-R activities that are in need of additional funding.

Expenditure Levels: As of March 15, 2011, the CDC had expended \$5,138,409.

Provisions: The CDC must use all CDBG-R funds by September 30, 2012.

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

Funding Amount: \$12,197,108 (by formula)

Award of Funds: The CDC submitted a completed application to HUD on May 18, 2009, which was subsequently approved the following June. Trainings on reporting, program monitoring, and general implementation were held for the applicable County Departments on August 19, 2009, and the CDC received the HPRP Grant Agreements on August 20, 2009.

Use of Funds: Implementation of HPRP began on October 1, 2009; and the Departments of Public Social Services, Consumer Affairs, Community and Senior Services, and the Los Angeles Homeless Services Authority (LAHSA) have been working collaboratively to deliver

assistance to those in need. In addition, Neighborhood Legal Services began offering legal assistance and representation to persons and families with unlawful detainers on November 1, 2009.

On August 31, 2010, the Board of Commissioners gave approval for 3 non-profit organizations (People Assisting the Homeless, Volunteers of America, and Union Station Homeless Services) to receive funding to provide HPRP services, and added 19 previously unserved cities that did not receive Federal or State HPRP funds within the County. We continue to provide training and guidance to County Departments and non-profit staff for consistent service delivery to those in need. We are actively monitoring the progress of these activities to ensure compliance with the requirements.

A contract amendment with LAHSA to reduce funding by \$325,000 was approved by the Board on March 8, 2011, since it was determined that these funds were not needed for data collection and evaluation. These funds are being reprogrammed to provide additional housing subsidies to individuals in need. We are currently analyzing the expenditure pacing of all contracts and will be amending contracts in order to maximize the use of these funds.

The number of clients assisted continues to increase. From program start through December 31, 2010, 1,830 persons from 897 households have been assisted. (This number is based on the data entered into the Homeless Management Information System (HMIS) on the number of people served.) Further, from program start, a total of 602 jobs have been created or retained, which corresponds to 85.61 full-time equivalent positions as of the 2nd Quarter of PY 2010-2011.

Expenditure Levels: As of March 15, 2011, the CDC had expended \$4,828,462.

Provisions: HUD requires that 60% of the funds be used within 2 years, and 100% in 3 years.

Unsuccessful Grant Applications

GREEN RETROFIT PROGRAM FOR MULTIFAMILY HOUSING

Funding Amount: Applied for \$2,260,000 by competition.

Award of Funds: The HACoLA submitted applications for the Kings Road and Lancaster Homes Housing Developments on June 15, 2009. The HACoLA did not receive this grant.

Use of Funds: Had the HACoLA been awarded, the funds would have been used for the modernization and rehabilitation of the Kings Road and Lancaster Homes developments.

JUVENILE JUSTICE AND CRIME PREVENTION ACT PROGRAM (JJCPA)/EDWARD BYRNE MEMORIAL COMPETITIVE GRANT PROGRAM

Funding Amount: Applied for \$974,283 by competition.

Award of Funds: The CDC submitted an application on April 27, 2009. The CDC did not receive this grant.

Use of Funds: Had the CDC been awarded, the funds would have been used to support existing JJCPA programs.

Each Supervisor
March 31, 2011
Page 4

NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)

Funding Amount: Applied for \$61,000,000 by competition.

Use of Funds: Had the CDC been awarded, the funds would have been used to supplement the NSP1 program, which includes the HERO program and Rental Infill Sites activities for tenants below 50% of the area median income (AMI).

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

SR\TG\SH\nm

K:\CDBG COMMON\IGR-PI\ARRA Board Memo\2011\March '11 ARRA Memo.doc

Attachment

- c: Each Deputy
Brence Culp, Chief Deputy Chief Executive Officer, Chief Executive Office
Ellen Sandt, Deputy Chief Executive Officer, Chief Executive Office
Kathy House, Assistant Chief Executive Officer, Chief Executive Office
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Lisa Rizzo, Principal Analyst, Chief Executive Office
Scott Wiles, Special Assistant, Chief Executive Office
Libby Boyce, Homeless Services Coordinator, Chief Executive Office

The CDC/HACoLA
American Recovery and Reinvestment Act of 2009 (ARRA) Final Award Amounts

	ARRA GRANT OPPORTUNITY	FUNDING AGENCY	FORMULA AMOUNT/ \$ APPLIED FOR	AMOUNT AWARDED	GRANT AGREEMENT*
1	Capital Fund (formula)	HUD	\$7,401,512	\$7,401,512	Yes
2	Capital Fund (competitive) - Disabilities Category	HUD	\$9,235,000	Did Not Receive	No
3	Capital Fund (competitive) - PH Transformation	HUD	\$7,240,000	Did Not Receive	No
4	Capital Fund (competitive) - Green Technology	HUD	\$5,924,000	\$5,924,000	Yes
5	Community Development Block Grant - Recovery	HUD	\$8,080,528	\$8,080,528	Yes
6	Neighborhood Stabilization Program 2	HUD	\$61,000,000	Did Not Receive	No
7	Homeless Prevention and Rapid Re-Housing Program	HUD	\$12,197,108	\$12,197,108	Yes
8	Green Retrofit Program for Multifamily Housing	HUD	\$2,260,000	Did Not Receive	No
9	Edward Byrne Memorial Competitive Grant	DOJ	\$974,283	Did Not Receive	No
Total Awarded Under ARRA			\$33,603,148		

*Grant Agreement Received -- Funds available for drawdown at U.S. Treasury.

FOR YOUR INFORMATION ONLY

From: Elisa Vasquez
Sent: Tuesday, April 12, 2011 10:27 AM
To: Directors/Managers
Cc: Blair Babcock; Daniel Rofoli; Debra Solis; Geoffrey Siebens; Gloria Ramirez; Grace Thamawatanakul; Jacqueline Rodarte; Lynna Ochoa; Marcie Chavez; Meiwen Fang; Nicholas Teske; Pat Case; Raymond Webster; Robin Pointer; Samantha Harrison
Subject: RE: Legislative Update

Hello,

As a follow-up to yesterday's Legislative Update, the details of the agreement reached last Friday among the House and Senate leadership and the President on FY 2011 spending has been made public:

- CDBG - the formula grant program was cut 16% from the FY 2010 level of \$3.99 billion to \$3.343 billion.
- HOME - 12% cut from \$1.8 billion to \$1.61 billion.
- Sustainable Communities Initiative - \$100 million in funding for the Obama Administration's Initiative, down \$50 million from the \$150 million appropriated for FY 2010.
- Homeless Assistance Grants - funded at \$1.905 billion, an increase over the FY 2010 level of \$1.865, including \$225 million for the Emergency Solutions Grant.
- Public Housing Operating Fund - \$4.626 billion, down from last year's \$4.77 billion.
- Public Housing Capital Fund - \$2.044 billion, down from last year's \$2.5 billion.
- Section 8 Tenant-Based Renewals - increased to \$16.7 billion, with \$1.45 billion for Section 8 Administrative Fees.
- Section 8 Project-Based Renewals - increased to \$8.88 billion from \$8.55 billion.

The legislation is expected to be on the House floor tomorrow where the vote will be close, but is expected to pass. The Senate will consider the bill later this week where it is also expected to pass it. Once passed, work will begin in earnest on the FFY 2012 budget.

IGR and the Policy and Legislative Committee staff from each Division are in the process of analyzing the bill for further impact.

Elisa E. Vásquez, Manager
 Intergovernmental Relations/Public Information
 Community Development Commission/
 Housing Authority of the County of Los Angeles
 2 Coral Circle
 Monterey Park, CA 91755
 phone: 323.890.7415
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communication. Thank you for your cooperation.

From: Elisa Vasquez

Sent: Monday, April 11, 2011 9:03 AM

To: Directors/Managers

Cc: Blair Babcock; Daniel Rofoli; Debra Solis; Elisa Vasquez; Geoffrey Siebens; Gloria Ramirez; Grace Thamawatanakul; Jacqueline Rodarte; Lynna Ochoa; Marcie Chavez; Meiwen Fang; Nicholas Teske; Pat Case; Raymond Webster; Robin Pointer; Samantha Harrison

Subject: Legislative Update

Hello,

Below please find an update on State and Federal legislative activity of interest to the CDC. Please let me know if you have any questions.

Governor's Fiscal Year (FY) 2011-2012 Budget

On March 29th, the Governor ended budget discussions with Republicans when their list of demands tripled. The demand for their requests to be met in exchange for support of the special election left little room for serious negotiations. Since then, there has been very little action on the budget. He has now begun traveling across the state to "mobilize support" for higher taxes. That State currently faces a \$15.4 billion budget deficit. According to the Governor, he has only two options left if he cannot reach agreement on taxes with the GOP - a voter initiative to bypass the Republicans or an all-cuts budget. Brown, who once hoped to have a budget deal by March 10th, is now preparing to revise his budget plan based on post-tax season revenue estimates, and will likely release alternatives in the May revise.

The State Legislature is scheduled to be on Spring Recess from April 14-24.

Federal Fiscal Year (FFY) 2011 and 2012 Congressional Appropriations

A government shutdown was narrowly averted last Friday, as lawmakers agreed to one more short-term continuing resolution that will keep the government afloat until April 15th, while they put together the language for their long-term deficit-reduction agreement. The legislation is expected to cut \$38 billion for the FFY 2011 budget, try and reduce \$1.4 trillion from the annual deficit (through savings in defense spending and government-run healthcare programs), and raise the \$14.3 trillion limit on government borrowing authority. President Obama is expected to release the long-term plan this Wednesday. The Senate and House are expected to approve that agreement this week, although lawmakers on both sides of the political aisle have criticized it.

While details on the budget are not available, it appears that the Public Housing Operating Fund is being cut from \$4.775 billion to \$4.626 billion, and the Community Development Fund, EDI grants, are being zeroed out. We should know more about the funding cuts within a couple of days.

And so the stage is set for the next battle – the FFY 2012 budget. President Obama released his plan for FFY 2012 last February, proposing a 7.5% cut to CDBG and slightly smaller reductions to HOME and the Capital and Operating Funds. Later in the week, the House plans to take up the Republican's FFY 2012 budget plan as proposed by Congressman Paul Ryan, head of the House Budget Committee and a strong voice for the Tea Party in Congress, which is significantly more aggressive. His plan would save \$6 trillion over the next decade, partly by cutting Medicare and Medicaid. We have yet to see the actual language in the House's proposal, but the President will likely not support much of what is included.

We'll keep monitoring and report on these and other legislative matters of impact to the CDC.

Elisa E. Vásquez, Manager
Intergovernmental Relations/Public Information
Community Development Commission/
Housing Authority of the County of Los Angeles
2 Coral Circle
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Disclaimer:

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of the County of Los Angeles**

Administrative Office

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

April 27, 2011

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

Dear Commissioners:

**APPROVE THE USE OF HOUSING AUTHORITY FUNDS TO FUND OTHER POST
EMPLOYMENT BENEFITS
(ALL DISTRICTS)**

SUBJECT

This letter requests that the Board of Commissioners authorize the use of \$4,868,483 in Housing Authority funds to prefund "other post employment benefits" (OPEB) for Community Development Commission (Commission) employees who administer and operate Housing Authority programs.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners authorize \$3,792,334 in Housing Authority funds previously allocated to prefunding OPEB and \$1,076,149 in funds included in the Housing Authority's approved Fiscal Year 2010-2011 Budget for the same purpose, to be transferred to CalPERS to fund OPEB.
2. Recommend that the Board of Commissioners find that the use of funds to prefund OPEB is not subject to the California Environmental Quality Act (CEQA) because the action is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of this action is to approve the use of Housing Authority funds to prefund OPEB through the California Employer's Retirement Benefit Trust Program (CERBT), an irrevocable trust administered by CalPERS. Through an agreement between CalPERS and the Commission, the Commission will transfer Commission funds and the Housing Authority funds described herein to CalPERS to hold, invest, and distribute assets to pay post retirement health benefits for eligible Commission employees.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

Based on a 2010 actuary study, the Commission's current unfunded actuarial accrued liability for retiree health care benefits, assuming pre-funding through the CERBT and assuming an initial transfer of assets of \$7,500,000, is estimated to be \$25,482,618 with an Annual Required Contribution (ARC) of \$1,642,731. These estimates will be adjusted once the transfer has taken place and a new actuarial study will be done in Fall 2011 to ensure that we are Government Accounting Standards Board (GASB) compliant. The new ARC will be included in future years' budgets and adjusted biennially.

The first payment to the trust will be made by June 30, 2011, and is comprised of \$9,142,731 in Housing Authority and Commission funds. The funding consists of \$3,792,334 in Housing Authority and \$3,707,666 in Commission program funds expended by divisions in prior fiscal years to pay for OPEB and \$1,076,149 in Housing Authority and \$566,582 in Commission current fiscal year funds as included in the Housing Authority's and the Commission's approved FY 2010-2011 Budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since July 1, 1992, the Commission, like the County, has provided retiree medical benefits for eligible officers and regular employees. This benefit allows for the contribution towards the payment of medical insurance for eligible retired employees. Prior to August 3, 2010, employees were 100% eligible for this benefit with 20 years of service or more. Currently, employees with 25 years of service or more are 100% eligible for this benefit. Government Accounting Standards Board (GASB) Statement No. 45, issued in 2004, requires that all government agencies report current expenses and future obligations associated with providing OPEB in financial statements, whereas previously no liability was shown, but was accounted for on a pay-as-you-go basis.

Currently, the Commission funds its retiree health care and OPEB on a pay-as-you-go basis. This approach pays for retiree health benefits in the year the benefits are drawn down by retirees. Based on a 2010 actuary study, the Commission's unfunded actuarial

accrued liability under the pay-as-you-go approach is estimated to be \$25,655,648 with an ARC of \$3,303,116. If the Commission prefunds its OPEB and transfers the funds to an irrevocable trust through the CERBT, without an initial transfer of assets into the trust, the actuary results estimate the Commission's unfunded actuarial accrued liability to be \$16,141,376 with an ARC of \$2,306,020. Transferring an initial amount of \$7,500,000 into the trust from funds collected in prior fiscal years and earmarked to pay for OPEB reduces the unfunded actuarial accrued liability to \$8,641,376 with an ARC of \$1,642,731. Future ARCs will be determined by biennial actuarial studies as required by GASB 45. The ARC expenses are allocated annually to Commission and Housing Authority Programs based on current year headcounts.

GASB 45 does not require that the Commission prefund OPEB or require that it be funded through an irrevocable trust, however it requires the Commission to report the net pension obligation on its financial statements. By prefunding OPEB liabilities, GASB 45 allows the liabilities to be measured using a discount rate based on the underlying investment return of the assets used to provide these benefits which reduces the ARC. In addition, earnings on assets reduce future employer contributions as well as prevent the net obligation from becoming a significant liability on financial statements.

The Commission could continue to prefund OPEB without a trust by setting funds aside and designating them to pay for OPEB. However, by prefunding through a trust, the Commission would be allowed to benefit from a higher investment earnings rate, due to long-term investing and a greater array of security options. Continuing with the pay-as-you-go approach would result in a growing unfunded actuarial liability and net OPEB obligation. Prefunding OPEB through a trust provides the Commission with substantial financial benefits and reduced liabilities.

CalPERS has over 75 years of experience in administering employer sponsored plans and manages assets for over 3,000 California employers. They have fully dedicated employer service specialists and provide quality customer service.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative and management activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Honorable Housing Commissioners
April 27, 2011
Page 4

IMPACT ON CURRENT SERVICES AND PROJECTS

The recommended actions will level annual retiree healthcare cost contributions and reduce the Housing Authority's financial liabilities to pay for future retiree health benefits.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", written over a horizontal line.

for SEAN ROGAN
Executive Director



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Commissioners

Sean Rogan
Executive Director

April 27, 2011

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**ACCEPTANCE OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FOR
PROJECTS IDENTIFIED IN THE 2011-2012 ACTION PLAN FOR THE ALLOCATION
OF FEDERAL FUNDS (ALL DISTRICTS)**

SUBJECT

This letter recommends acceptance of an estimated \$2,989,266 in Fiscal Year 2011-2012 Community Development Block Grant (CDBG) funds from the Community Development Commission (Commission). These funds are used for various CDBG-eligible programs administered by the Housing Authority of the County of Los Angeles (Housing Authority) and included in the County of Los Angeles' (County) Fiscal Year 2011-2012 Action Plan, which will be presented to the Board of Supervisors on May 24, 2011. This letter also recommends approval for the Housing Authority to continue administration of \$1,513,953 in prior year CDBG funds.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that the acceptance of Fiscal Year 2011-2012 CDBG funds from the Commission is not subject to the provisions of the California Environmental Quality Act (CEQA) because it is not defined as a project under CEQA.
2. Recommend that the Board of Commissioners authorize the Housing Authority to accept from the Commission an estimated \$2,989,266 in Fiscal Year 2011-2012 CDBG funds, and to continue administration of \$1,513,953 in prior year CDBG funds, which will be requested for incorporation into the Housing Authority's Fiscal Year 2011-2012 budget through the Housing Authority's annual budget approval process subject to final notification of approval by the U.S. Department of Housing and Urban Development (HUD).



PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The National Affordable Housing Act of 1990 (Cranston/Gonzalez Housing Act), as amended in 1992, requires that the County provide a single, consolidated submission of the proposed expenditure of funds to be eligible for HUD formula grant funding, including CDBG, HOME Investment Partnerships, and Emergency Shelter Grant. The Action Plan for Fiscal Year 2011-2012 (Action Plan) satisfies these federal requirements to provide for the release of funds.

The Action Plan identifies a total of \$2,989,266 in Fiscal Year 2011-2012 CDBG funds for projects that will be administered by the Housing Authority. The purpose of this letter is to accept these funds into the Housing Authority's budget, and to continue administration of \$400,000 in prior year CDBG funds. Attachment A provides a breakdown of the funds allocated to the Housing Authority by project, as well as a description of each project to be funded.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Action Plan allocates an estimated \$2,989,266 in new Thirty-Seventh Program Year (July 1, 2011 to June 30, 2012) CDBG funds and \$1,513,953 in prior year CDBG funds that will be incorporated through the Fiscal Year 2011-2012 Housing Authority budget approval process.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 27, 2008, the Board of Supervisors approved the Five-Year Consolidated Plan for 2008-2013 and the Fiscal Year 2008-2009 Action Plan. These documents have been updated as required by HUD. The current Fiscal Year 2010-2011 Action Plan ends on June 30, 2011, and a new plan must be adopted by the Board of Supervisors in order to receive continued funding from HUD. The Action Plan includes a description of the activities to be undertaken during Fiscal Year 2011-2012 to address the objectives of the Consolidated Plan's five-year strategy. A list of the Housing Authority projects included in the Action Plan is provided in Attachment A.

All of the projects proposed in the Action Plan are being federally funded. As applicable, the administering agencies will be subject to the prevailing wage requirements of the Davis-Bacon Act and related Acts and Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low- and very low-income persons, particularly to persons who are recipients of HUD housing assistance. However, where Section 3 is not applicable, the agencies will be subject to the County's Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program, which furthers the same or similar goals.

ENVIRONMENTAL DOCUMENTATION

The acceptance of Fiscal Year 2011-2012 CDBG funds from the Commission is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it is an administrative action and does not involve activities that will alter existing environmental conditions. The action is not subject to the provisions of CEQA, pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Each program within the Action Plan will be reviewed for environmental impact on a project-by-project basis before funding is released.

IMPACT ON CURRENT PROJECTS

The projects contained in the Action Plan will benefit low- and moderate-income residents of the unincorporated County and participating cities.

Respectfully submitted,



for SEAN ROGAN
Executive Director

Enclosures

ATTACHMENT A
HOUSING AUTHORITY PROJECTS FOR FISCAL YEAR 2011-2012

	PROJECTS (New Funding)	
Project Title (District)	Project Description	Funding
East County Exterior Painting (First)	Provides for the painting, patching stucco, repairing/replacement fascia boards and other repairs as needed at the Whittier Manor housing development and Herbert Apartments.	\$275,000
Francisquito Villa and Whittier Manor Air Conditioner Replacement (First)	Provides for the replacement of four (4) A/C units on the roof tops at the Francisquito Villa and Whittier Manor housing developments.	\$100,000
Sundance Vista Exterior Stairs and Handrail Replacement (First)	Provides for the replacement of the deteriorated exterior stairs, landings and handrails in six (6) buildings with new wood sub-flooring and a non-skid coating surface at the Sundance Vista housing development.	\$145,000
Whittier Manor Roof Replacement (First)	Project will replace the deteriorated roofing at the Whittier Manor senior housing development. The roof will be removed and replaced with new flashing, down spouts, and gutters.	\$200,000
Williamson Interior Unit Stairs Replacement (First)	Project will replace the deteriorated interior concrete stairs with new wood stairs at the Williamson housing development.	\$30,000
Athens Kitchen and Bathroom Remodel (Second)	Provides for the remodeling of kitchens and bathrooms at Athens I, II, and III housing developments. This project will replace tubs, sinks, medicine cabinets, shower valves, faucets, and toilets and install new floor tile. Additionally, this project will remodel all kitchen with new cabinets, hood vents, sinks, and faucets and installation of new floor tiles.	\$250,000
El Segundo Kitchen and Bathroom Remodel (Second)	Provides for the remodeling of kitchens and bathrooms at El Segundo II housing developments. This project will replace tubs, sinks, medicine cabinets, shower valves, faucets, and toilets and install new floor tile. Additionally, this project will remodel all kitchens with new cabinets, hood vents, sinks, faucets and installation of new floor tiles.	\$200,000

ATTACHMENT A
HOUSING AUTHORITY PROJECTS FOR FISCAL YEAR 2011-2012

	PROJECTS (New Funding Continued)	
Project Title (District)	Project Description	Funding
Southbay Gardens Parking Lot Replacement (Second)	Provides for the replacement of the deteriorated asphalt parking surfaces, curbs, gutters, driveway, and sidewalks with new cost effective concrete at the Southbay Gardens senior housing development.	\$100,000
South County ADA Upgrades (Second)	Provides for the completion of needed ADA upgrades at the Century Wilton, Southbay Gardens and Big Normandie housing developments. ADA upgrades will include the widening of doors for wheelchair access, community room bathroom upgrades, and special ADA features such as lighting and signage.	\$205,000
Ujima Village Vacant Property Security System (Second)	Provides for the leasing of a modular steel vacant unit security system for the Ujima Village housing development.	\$500,000
Harbor Hills Security Fence (Fourth)	Provides for the purchasing and installation of wrought iron security fencing in high vandalism and loitering areas at the Harbor Hills housing development. Additionally, a new fence enclosure for trash containment will also be installed.	\$155,000
Quartz Hills I and II Window Replacement (Fifth)	Provides for the purchasing and installation of energy efficient windows in all 40 units of the Quartz Hills I and II housing developments.	\$125,000
Resident Services Programs (Countywide)	Provides Resident Services Programs to families, seniors, and residents with disabilities. Programs include adult literacy, recreation, after-school programs, workforce development, and supportive services.	\$249,000
Family Resource Centers (Countywide)	Provides supportive and clinical services such as: family and individual counseling, academic and career counseling, classes or programs on parenting skills, grief counseling, youth leadership, conflict resolution, drug awareness, and truancy prevention. This project will serve all of the Housing Authority public housing residents.	\$455,266
	TOTAL:	\$2,989,266

ATTACHMENT A
HOUSING AUTHORITY PROJECTS FOR FISCAL YEAR 2011-2012

	CONTINUING PROJECTS (Prior Year Funding)	
Project Title (District)	Project Description	Funding
Nueva Maravilla Electrical (First)	Provides for the final phase of the completely new state of the art underground electrical distribution system at the Nueva Maravilla Housing Development. This project includes the placement of main lines, distribution lines, conduit, trenching, repair of landscaping, new meters, new transformers, new required connections, testing and corrections, and all related and incidental work.	\$400,000
Ujima Village Relocation (Second)	Provides CDBG funds to the Housing Authority of the County of Los Angeles (HACoLA) to pay tenant relocation expenses for residents of the Ujima Village Public Housing Development in the Second Supervisorial District.	\$1,113,953
	TOTAL:	\$1,513,953



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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

April 27, 2011

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, CA 91755

Dear Commissioners:

**APPROVE THE LIMITED USE OF MUTUAL INDEMNIFICATION BETWEEN THE
HOUSING AUTHORITY AND OTHER PUBLIC ENTITIES AND CERTAIN PRIVATE
ENTITIES
(ALL DISTRICTS)**

SUBJECT

This letter recommends approval of the limited use of mutual indemnification between the Housing Authority and other public entities and certain private entities, including sole source vendors and entities that provide services at minimal or no cost to the Housing Authority. This letter relates to an item on the agenda of the Board of Commissioners of the Community Development Commission.

IT IS RECOMMENDED THAT YOUR COMMISSION:

Recommend that the Board of Commissioners approve the limited use of mutual indemnification, as described herein, between the Housing Authority and other public entities and certain private entities, including sole source vendors and entities that provide services at minimal or no cost to the Housing Authority, subject to review and approval by the Housing Authority's Risk Manager and approval as to form by County Counsel.

PURPOSE / JUSTIFICATION OF RECOMMENDED ACTIONS

The purpose of this action is to provide flexibility to the Housing Authority when entering into agreements with service providers (Entities) where those Entities agree to provide services to the Housing Authority or to participants of Housing Authority programs, often without compensation or at minimal cost. Further, several Entities have been unwilling to enter into agreements unless they are indemnified by the Housing Authority for its

acts and omissions. As a result, many services have been lost for low-income and disabled persons the Housing Authority serves.

FISCAL IMPACT / FINANCING

There is no impact on the County General Fund.

FACTS AND PROVISIONS / LEGAL REQUIREMENTS

The Housing Authority's Risk Management unit will be responsible for reviewing and approving any and all requests for mutual indemnification. Approval is subject to review and approval by the Housing Authority's Risk Management unit and approval as to form by County Counsel.

The following language will be included in agreements between the Housing Authority and other public entities, but may be modified, subject to review and approval by the Housing Authority's Risk Management unit and approval as to form by County Counsel:

"The [Entity] shall indemnify, defend, and hold harmless the Housing Authority of the County of Los Angeles (Housing Authority), the Community Development Commission of the County of Los Angeles, and their officials, officers, employees, and agents (hereinafter collectively "Public Entities") from and against any and all liability, demands, damages, claims, causes of action, fees, and expenses (including reasonable attorneys' fees, expert witness fees, and legal costs) including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "liabilities") arising from or connected with [the Entity's] acts, errors, and/or omissions under this contract or the services to be provided by [the Entity] hereunder. [The Entity] shall not be required to indemnify, defend, and hold harmless the Public Entities from any liabilities that are caused by the sole negligence or willful misconduct of the Housing Authority or its officials, officers, employees, or agents."

"The Housing Authority of the County of Los Angeles shall indemnify, defend, and hold harmless the [Entity] and its officials, officers, employees, and agents from and against any and all liability, demands, damages, claims, causes of action, fees, and expenses (including reasonable attorneys' fees, expert witness fees, and legal costs) including, but not limited to, claims for bodily injury, property damage, and death (hereinafter collectively referred to as "liabilities") arising from or connected with the Housing Authority's acts, errors, and/or omissions under this contract or the services to be provided by the Housing Authority hereunder. The Housing Authority shall not be required to indemnify, defend, and hold harmless the [Entity] or its officials, officers, employees, or agents from any liabilities that are caused by the sole negligence or willful misconduct of [Entity] or its officials, officers, employees, or agents."

Honorable Housing Commissioners
April 27, 2011
Page 3

ENVIRONMENTAL DOCUMENTATION

The use of mutual indemnification clauses in contracts is exempt from the provisions of the National Environmental Policy Act, pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to state CEQA guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT SERVICES / PROGRAMS

The proposed mutual indemnification will allow for greater collaboration and working relations with other public entities and certain private entities, thereby increasing resources and services to the Housing Authority and participants of its programs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", written over a horizontal line.

SEAN ROGAN
Executive Director



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Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

April 27, 2011

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 S Coral Circle
Monterey Park, CA 91755

Dear Commissioners:

**FUNDING FOR FINANCIAL AUDIT SERVICES FOR FISCAL YEAR 2010-2011
(ALL DISTRICTS)**

SUBJECT

This letter recommends approval of expenditure of Housing Authority funds for financial audit services to be provided by Vasquez & Company LLP pursuant to an Agreement with the Community Development Commission. The Agreement will be considered by the Board of Commissioners of the Community Development Commission at their meeting of May 10, 2011.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners approve the expenditure of up to approximately \$72,100 for financial audit services for Fiscal Year 2010-2011 provided to the Housing Authority pursuant to an Agreement for financial audit services between the Community Development Commission and Vasquez & Company LLP.
2. Recommend that the Board of Commissioners approve the expenditure of additional funds of up to \$7,210 for any unforeseen, needed financial audit services.
3. Recommend that the Board of Commissioners find that the approval of funds for financial audit services is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to approve the expenditure of Housing Authority funds for the Agreement for financial audit services between the Community Development Commission (Commission) and Vasquez & Company LLP to provide audit services required to comply with the financial and program requirements mandated by Commission and Housing Authority funding sources.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The maximum aggregate amount for all years of the Agreement, if fully extended, will be \$533,000. It is anticipated that this total amount will be comprised of approximately \$159,900 for the Commission and approximately \$373,100 for the Housing Authority. The total, yearly aggregate costs of the financial audit services are set under the terms of the Agreement; however, costs apportioned to the Commission and Housing Authority may vary from the individual forecast amounts, depending on the required audit services.

Costs associated with the first year of services under the Agreement will be incurred in an amount not to exceed an aggregate of \$103,000 comprised of approximately \$30,900 for the Commission and approximately \$72,100 for the Housing Authority. The Commission and Housing Authority will request approval of these funds through the annual budget process.

After the first year, the Agreement may be extended for an additional four years, in one-year increments, in the amount of \$105,000, \$106,000, \$109,000 and \$110,000 respectively. Year two of the Agreement will be comprised of approximately \$31,500 for the Commission and approximately \$73,500 for the Housing Authority. Year three of the Agreement will be comprised of approximately \$31,800 for the Commission and approximately \$74,200 for the Housing Authority. Year four of the Agreement will be comprised of approximately \$32,700 for the Commission and approximately \$76,300 for the Housing Authority. Year five of the Agreement will be comprised of approximately \$33,000 for the Commission and approximately \$77,000 for the Housing Authority. The Commission and Housing Authority will request approval of these funds through the annual budget process.

An approximate 10% contingency for each year of the Agreement is also being set aside for unforeseen, needed financial audit services.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Commission currently contracts for financial audit services under a one-year contract. The Agreement will replace the expiring one-year contract with a one-year Agreement, which may be extended in one-year increments, for a total of four additional years, at the sole discretion of the Commission.

The Agreement provides for Vasquez & Company LLP to conduct financial audits of Fiscal Year 2010-2011 financial statements. The audits will focus on internal controls over federal financial assistance and compliance with program requirements. This will include all funds and account groups of the Commission and the Housing Authority, including single audits of all federal grants and statements relating to redevelopment activities.

Vasquez & Company LLP will provide a statement regarding financial compliance with existing redevelopment laws and regulations. The firm will also prepare a Comprehensive Annual Financial Report, as required by the Governmental Accounting Standards Board, and all other reports specified in the Agreement and required by law. Vasquez & Company LLP will advise the Commission and the Housing Authority concerning methods of improving systems of internal accounting and operating controls, the appropriateness of new procedures, and provide recommendations and assistance as necessary. Should Vasquez & Company LLP require additional or replacement personnel during the term of the Agreement, it will give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program and General Relief Opportunity for Work (GROW) Program who meet the minimum qualifications for the open positions. Vasquez & Company LLP will contact the County's GAIN/GROW Division for a list of participants by job category.

CONTRACTING PROCESS

On March 17, 2011, Notice of the availability of the Request for Proposals (RFP) was posted on the Commission's website. The availability of the RFP was also posted on the County's WebVen website.

A total of three proposals were received by the submission deadline of April 7, 2011. The proposals were evaluated by a review panel comprised of two representatives from the Commission and one representative from the County Auditor-Controller. The panel is recommending that Vasquez & Company LLP be awarded the Agreement based on the criteria set forth in the RFP and consensus scoring.

The Summary of Outreach Activities is provided as Attachment A.

Honorable Housing Commissioners
April 27, 2011
Page 4

IMPACT ON CURRENT PROGRAMS

The Agreement will provide continuation of mandated audit services for both financial and programmatic compliance by the Commission and Housing Authority.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sean Rogan", written in a cursive style.

SEAN ROGAN
Executive Director

Enclosures

ATTACHMENT A

Summary of Outreach Activities

On March 17, 2011, the following outreach was initiated to identify a firm to provide financial audit services to the Community Development Commission and the Housing Authority under a one-year agreement, with an additional four-year extension, in one-year increments, effective with the Fiscal Year 2010-2011 financial statements.

A. Announcement

An announcement was posted on the County's WebVen website and on the Commission/Housing Authority website.

B. Distribution of Notices

The Commission/Housing Authority's vendor list and the Los Angeles Business Journal's 2011 list of top 50 accountant firms were used to identify 10 firms with public sector auditing experience. Phone calls were made to inform them of the Notice of the Availability of the Request for Proposals (RFP). In addition, the RFP was posted on the County's WebVen website.

C. Proposal Results

A total of three proposals were received by the submission deadline of April 7, 2011.

A review panel comprised of two representatives from the Commission and one representative from the County Auditor-Controller evaluated the proposals. The evaluation committee used the "informed averaged" scoring methodology as established in the solicitation package. The evaluation criteria consisted of qualification, experience, reference, cost factor, etc. Vasquez & Company LLP was selected for recommendation of award of Agreement based on the criteria set forth in the RFP and total scoring.

<u>Firms</u>	<u>Evaluation Score</u>
• Vasquez & Company LLP	2830
• Mayer Hoffman McCann P.C.	2593
• Macias Gini & O'Connell LLP	2255

D. Minority/Women Participation

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Vasquez & Company LLP	Minority	Total 40 38 Minorities 25 Women 95% Minorities 63% Women

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Mayer Hoffman McCann PC	Non-Minority	Total 52 16 Minorities 21 Women 31% Minorities 40% Women

<u>Name</u>	<u>Ownership</u>	<u>Employees</u>
Macias Gini & O'Connell LLP	Non-Minority	Total 205 85 Minorities 112 Women 41% Minorities 55% Women

The Commission conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Commission.

The recommended award is being made in accordance with the Commission's policies and federal regulations, and without regard to race, creed, color, or gender.